Secrt. 1,127—50,000—23-11-42.

Development **(194 5) Department.**

Ms. **SERIES.**

Pass

G.O. No. Ms. 2536

Dated ~~29th~~ 28th June 1945.

[Despatch Abstract.]

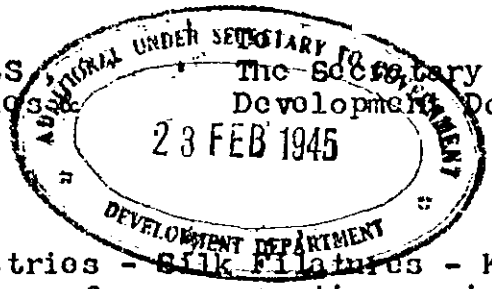
Industries - Sericulture - Silk Filatures at Kollegal - Formation of co.operative Society for labourers - Utilisation of accumulated balance of dearness allowance towards share capital of society proposal of D.I.&C., approved.

No.2946-D/43. Office of the Director of Industries & Commerce, Madras, Dated 19-2-1945.

1250-D/43

From
A.Khaleeli,Esq.,I.C.S.,
Director of Industries & Commerce, Madras.

To
The Secretary to Government,
Development Department.



Sir,

Sub: Industries - Silk Filatures - Kollegal
Opening of a co-operative society - Share capital.
--

In para.3 of G.O.No.Ms.1721, Development Department dated 6-8-1943, Government ordered steps should be taken at an early date for the formation of a co-operative society at Kollegal for the benefit of the workers employed in the two Silk Filatures. This question was discussed with the Deputy Registrar of Co-operative Societies by the General Manager, Government Silk Filatures and proposals for the opening of a co-operative society with 2 branches--one at Government Silk Filatures and the other at Kollegal Silk Filatures--are under the active consideration of the Registrar. According to the Officers of the Co-operative Department the society which is intended to cater to requirements of 2000 people needs capital of Rs.25,000/-. The capital required for working the society cannot possibly be provided by the workers, and it has been suggested that it may be met from the amount of accumulated Dearness Allowance due to the labourers which was not disbursed in the circumstances explained in my note dated 22-11-1944 to the General Manager, Government Silk Filatures

pto.

2

and Manager, Kollegal Silk Filatures--copy enclosed. The proposal to open a canteen for the labourers as suggested in the note would be abandoned and the money utilised as permanent share capital of the co-operative society. This suggestion has my support and I request that Government be pleased to accept the same.

1A

J Gopalachari 22/2/45

pr.20-2. for Director of Industries & Commerce.

MK 20/2

Copy of Note dated 22-11-1944.

I have for some time now been considering the question of the disposal of the moneys which have accumulated in the two Filatures at Kollegal on account of the short drawal of dearness allowance sanctioned from time to time by Government over a period of some months. Dearness allowance was not paid in accordance with the rules laid down by Government for reasons urged by the General Manager, Government Silk Filatures. In view his it was necessary to encourage labour, to improve its efficiency and discipline by offering monetary inducement without at the same time unnecessarily adding to the cost of production of raw silk. He, with my concurrence, paid dearness allowance at rates lower than those sanctioned by Government and that on the basis of attendance at the Filature for 24 out of a total of 26 days in a month. The dearness allowance rate has now been increased to the full rate sanctioned by Government, Rs.8 out of Rs.10/- to which labour is entitled being given in cash and Rs.2/- in the form of savings certificate. The moneys that were short-drawn at the Government Silk Filature from July 1943 up to the end of September 1944 amount to about Rs.25,000/-. In the case of Kollegal Silk Filatures, the moneys short-drawn from March 1944 (when a new contract was entered into with the Supply Department at cost plus basis) to September amount to about Rs.12,000/-.

2) I do not think that labour as a whole should be deprived of these sums of money. I am not prepared, however, to suggest that the moneys be returned to the individual labourers since this would not only nullify the idea which the General Manager had originally in view in linking the dearness allowance to discipline and efficiency but would

pto.

reward those very labourers whom it was intended to deprive of the dearness allowance concession. The efficient labour having got the money has spent it away and the grant of this money to the inefficient labour would create misgivings in the mind of efficient labour and might lead to undesirable consequences. The inefficient labour would consider that it had done the right thing by being inefficient and that it would continue to do so in future also believing that the ways of the department were inscrutable. I have therefore decided that the moneys should be used for the benefit of labour in general at both the Filatures. The form which this should take, I have discussed with the Manager, Kollegal Silk Filature and the Assistant Manager, Government Silk Filature.

3. The Government of India have for some time now been encouraging the opening of canteens for workers employed in the factories, bearing the expenditure on this account, wholly or in part, out of their own pocket. The Sericultural Expert who is now in charge of the Government Silk Filature suggested to me at Madras recently that the two Filatures should do something similar and bear at least a quarter to half of the cost of food and drink supplied to the factory labour. He said that a number of them could ill afford a mid-day meal and that even when they could afford it, the meal that they get was not palatable since it had to be prepared very early in the morning and brought to the Filature with them. In view of the very early hours at which the workers report themselves at the Filatures, in view of the long distances which many workers have to travel and in view of the poor food that they eat (I have seen this afternoon several women with trays of vadais, groundnut and similar articles along the roadside vending to these labourers). I am of the view that moneys which legitimately belong to labour should be spent in running canteens at the two filatures and that every worker should be given food and clothing worth one anna free every day. The worker will have to pay for any extra food that he may buy from the canteen. At one anna per worker per day,

for 500 workers at the Kollegal Silk Filature, the cost would be, for a month of 26 days, nearly Rs.800/-. The cost at the Government Silk Filature would be nearly Rs.2000/- a month. That means that the moneys now available would last the Filatures over a year. The question of continuing the Canteen after that may be considered then.

pr.20-2.

Dev. Dept 7

Pl. issue
Nr 5/3/45 17/63

Memo No. 1250/D/43-1d 5.3.45

Sub: Industries - Sericulture - Silk filatures at Kollegal - Opening of a Coop. Society for labourers - Share capital

Ref: from the DLR, No 2946 D/43 d 19.2.45

fp 1-2 cf

fp 3-5 cf

y' on p3 cf

It is stated in the note enclosed with the letter cited that a sum of Rs 27000/- has been accumulated by a system of non payment of dearness allowance to the labourers of the two Silk filatures at Kollegal. Dearness allowance has been granted by the Govt to their employees to meet the high cost of living. and it is not intended that it should be disbursed unconditionally on the basis of good conduct or efficiency on the part of the employees. The DLR is requested to furnish the following particulars in regard to the proposed disbursement of dearness allowance to the labourers

71.

cf Z on p 3 cf

in the Last Sch. Claims accrued.

(i) Whether short drawals of the allowance has been made in the case of all the labourers or on a discriminatory basis. Of Nanjis. Manjus

(ii) Whether the consent of the labourers was obtained before the system of short drawal was put into effect. Of Manjus

(iii) Whether the sum of Rs. 37,000/- which has accumulated from short drawals is in the Govt. Treasury or whether it has been drawn in establishment bills and kept deposited separately and if so, where. Yes

(iv) Whether accounts have been kept of the amount deducted in the case of each labourer. ~~---~~

(v) Whether the labourers agree to the withholding of such accumulations towards the payment of Share capital by the proposed Co-operative Society. and

(vi) Whether the system is ~~---~~ in force.

Add 2nd 28/8

Add 3rd 31/8

Yes

To the D.C.S.

R

2/9/48

C.F. 32.

3245-D/45

ndustries and Commerce Department

From (Name) A. Khaleeli Esq., I.C.S.,

Designation Director of Industries and Commerce, -

Station Chepauk, M a d r a s.

Received Registered

To

The Secretary to Government,
Development Department,
M a d r a s.

ADDITIONAL UNDER SECRETARY TO GOVERNMENT
27 MAY 1945
DEVELOPMENT DEPARTMENT

Enclosures:

No. D.1.- 414/44 dated 27th May 1945.

Sir,

Sub: Industries - Sericulture - Silk Filatures at Kollegal - opening of a Co-operative Society for labourers - share capital - regarding.

M7-8 above

Ref: Government Memorandum No.12501-D/45-1, Development, dated 5th March 1945.

The particulars called for in the Government memorandum cited above, in regard to the non disbursement of dearness allowance to the labourers in Government silk filature and Kollegal silk filature, Kollegal are furnished below seriatim:--

1) The short drawals of the allowance were made in the case of all the labourers and not on a discriminatory basis. The Dearness Allowance drawn in each case was less than the amount sanctioned by Government. The rate at which it was paid from time to time is detailed below:

Period.	Rate of Dearness allowance sanctioned in G.O. Rs. A. P.	Rate actually paid. Rs. A. P.
July 1943 to December 1943 (6 months.)	6 - 8 - 0	3 - 0 - 0
January 1944 to February 1944	6 - 8 - 0	5 - 0 - 0
March 1944 to June 1944. (6 months.)	10 - 0 - 0	5 - 0 - 0
July to September 1944 (3 months.)	10 - 0 - 0	7 - 8 - 0
October 1944 onwards.	10 - 0 - 0	10 - 0 - 0

A (ii) The consent of the labourers was not obtained before the system was put into effect.

(iii) The amount has not been drawn and kept separately, except a sum of Rs. 535-13-0, drawn by the Manager, Kollegal silk filature by way of supplementary muster rolls, which is being utilised with the consent of the labourers for running a canteen functioning at the Kollegal Silk filature from 2-1-1945.

P.t.o.

(iv) Accounts have been kept of the amounts short drawn in the case of each labourer.

(v) The labourers agree to the balance amount in the Dearness Allowance being utilised for payment of share capital of the proposed Co-operative society and

(vi) The system of short drawals ceased to be in force from 1st October 1944.

28/5

for Director of Industries and Commerce.

MLM/28.5

Dev Dept II

83/29/6

Pl. issue of Sanction

Sub:- Distribution of Deamess allowance accumulated in the case of Co-operative Society for labourers of two Silk Filatures at Kollegal - Utilisation of accumulated balance of the indictment allowance towards Share capital and of Society - Proposal of DD&E - Approved.

Ref 18/6/45

Ref pp 5-6 of (C) Read again: G.O. No 1721 MS Dev dated 6.8.1943.

Ref pp 1-5 of Read also: From the DD&E, No 2946 D/43 dated 19.2.1945

Ref pp 9-10 of From the DD&E, No D1 414/44 dated 27.5.1945

Order No 2536 MS Dev dated 28.6.45

Orders on p 7 ng The Government approve the proposal of the DD&E to utilise the funds for the Share capital of the Co-operative Society, proposed to be organised for the benefit of the labourers of the two Silk Filatures at Kollegal, the accumulated amount of deamess allowance of about Rs 37,000/- (Rupees Thirty Seven Thousand only) payable to these labourers for the period from July 1943 to September 1944. The amount should be drawn from the Treasury as deamess allowance on muster rolls and be represented in the accounts of the Govt as payment of deamess allowance and not as direct subsidy towards the share capital of the proposed co-operative Society.

R on pp 4-5 ng

The balance amount remaining, after utilising the requisite sum for the Share capital, should be disbursed to the concerned labourers and proper acquittances obtained from them for the disbursement of the total amount of deamess allowance payable to them.

X on p 6 ng

The action of the DD&E in having withheld the payment of deamess allowance to the labourers is highly irregular. The Govt desire to point out that such irregularities should be avoided in future.

Subject to orders S on p 6 ng.

2. The attention of the DD&E is invited

Mrs Gandhi (C)

Prime Minister's Secret No. 172/PMH/Delhi dated 30th May 1984

Mr. Gandhi (C)

Please find enclosed a copy of a letter dated 30th May 1984 from Shri Arun Singh, Minister of State in the Ministry of Home Affairs addressed to Shri Arun Nehru, Minister of State in the Ministry of Finance, Government of India, New Delhi.

Yours sincerely,

(R. K. Dhawan)

Shri Arun Nehru,
Minister of State,
Ministry of Finance,
Government of India,
New Delhi.

Copy to S.F. Rodrigues, Esq., I.A.S.
Secretary to the Prime Minister

Subject:- Sericulture - Silk Filature at Kalleghal -
Opening of a Co-operative Society for labours - Sanction
Con 1257/1/42 Ref Govt of Mysore No. 2946 D/42-43 dated 19.3.43
H 1-5 cf
To Addl Dis. ...
...Please see the letter from the D/Sericulture pp 1-2 cf
H 5-6 cf (c) 2. In G.O. No. 1721 Dev d. 6.8.43 ... sanction
a deposit for the opening of a Co-operative Society for the
benefit of the labourers employed in the Silk Filature at Kalleghal.
As the arrangement was only a temporary one, the D/Sc
Para 3. H 6 cf (c) was directed to organise a Co-operative Society for the labours
which would cater to their requirements. Steps may be
Bangalore taken, with a view to register the Co-operative
Society. Accordingly the Deputy Director of Sericulture
Para 2 cf has sent a sum of Rs. 37 now with him to be
Vide note at paid to the labourers by way of dearness allowance
H 3.5 cf to make good the increased cost of living and
required for the proposed Society. The Manager of
Para 2 cf the Silk Filature will be responsible for the following works
connected with the
Sanction and disbursement of dearness allowance as at H 3-5 cf
Hereafter the disbursement may please be entrusted to the
Inspectress. She should be competent enough to
Para 1 cf undertake the ... work. ... the
Inspectress should be ... allowance
below Rs. ... to the ... employees
Facilities ... should ... by
high-class ... may ... all ...
... with the ... cf ... the ...
... Deputy ... the ... Director ...
Para 3 cf ... Manager ... Filature ...

2

Many of the Fitters as such policy do not appear to have the spirit of voluntary contribution on the part of the labourers who are entitled to get it. Main facts of the System of non-payment which has resulted in the accumulation of an R 3.70 lakh should be called for before the proposal of the D.I.C. at pp 1-2 cf may be approved. For orders whether this will be agreed to and the D.I.C. asked to furnish more particulars. Subject to orders, a draft memo to the D.I.C. is enclosed for approval. It may perhaps be issued after perusal by the Dept.

This refers to the proposal contained therein which on the facts stated would seem to disclose a clear definite irregularity. There was never any intention of Govt that deserved allowance was to be conditioned on the authority of any kind of any dept. But if the whole amount is now ordered to be remitted to the labourers it is bound to cause heavy dissatisfaction, & not unreasonably. It would seem that an extremely controversial situation results. It is for orders if the case is whether

i. The D.I.C's proposal not to utilize R 3,700 may be accepted and the balance still due to the labourers after utilization of such amount paid to them either forthwith or in instalments over a period of some months, and

ii. The D.I.C. informed that such a practice as has apparently been sanctioned by him should forthwith be stopped & that any undue hardship that might be caused by following it strictly according to rules governing the purpose of deserved allowance explained to him.

The points on p.2 of the draft below are also

For this purpose the draft below may serve first for obtaining more precise information on the subject before Para 1 on P.2 above is accepted finally considered.

L S 4/9/45

1 Jan 45

pp 7-8 cf [Issued as Memo no. 1250/D/45-1 dt 5.3.45]

~~[From the D.I & C, T.M dt 8.3.45]~~

J. Addl. A.S.

Please see the T.M from the D.I & C. at pp 9 cf.
T.M. of the D.I & C.
A draft reply is submitted at pp 9-10 cf for approval

K 9/9/45

pp 9-10 cf [From the D.I & C, no. D.I-414/44 dt 27.5.45]

J. Addl. A.S.

With reference to the memo issued to the D.I & C. at pp 7-8 cf, he has furnished fuller particulars of the system of non-payment of a part of dearness allowance to the labourers at the Silk Filatures at Kollegal. The system was existing from July 1943 to September 1944 and an amount of Rs 37,000/- accumulated as a result of the system. The D.I & C. now proposes to utilise this amount to start a Cooperative Society for the benefit of the labourers in the Silk Filatures at Kollegal.

work M in p 9 cf

r Y in p 3 cf

25,000 Fr S.F
12,000 K S.F
37,000

At p 6 cf (d)

With reference to para 2 of G.O. no. 1721 (MS) Dev dt 6.8.43, the Grain Shop should be wound up on the formation of the Cooperative Society and the amount of Rs 10,000/- advanced in that G.O. should be repaid in full.

~~The proposal of the D.I & C. to utilise the amount of Rs 37,000/- for the formation of a Cooperative Society if approved in this Dept. The case may be sent to Finance for remarks~~

J 2 in p 2 abve

For orders whether, with ref. to ci's' notes at pp 2-3 abve, the D.I & C. will be instructed as at M on p 2 abve.

K 6/9/45

Mr. may pose with order if necessary

Gen (S)

Sri. may see the case for remarks. The proposal does not however, commit the Govt. to any

C.12501D/45

(12)

financial liability in respect of this proposal to be met from a grant from the Treasury which should have to be drawn and disbursed by me. I propose to pay the

Jos 1.6.45 — 9/6 26/5 — S — 2/6/45

Dev-u-o-12501-D/45

SECRETARY TO F. & C.F. 5 JUN 1945 FINANCE DEPT.

25782 Accts

Finance (Accounts B)

For the period from July 1943 to September 1944, the workers of the two Silk Filature factories were not paid their full dearness allowance for the reasons stated at N on p3C.F. The total amount of dearness allowance thus accumlated is reported to be Rs. 37,000 out of this Rs. 535-13-0 is stated to have been drawn by the Manager, Kollegal Silk Filature by way of supplementary muster rolls and used with the consent of the labourers for running a canteen functioning at the Filature from 2nd January 1945. The Director suggests that if a Co-operative Society is formed for the benefit of the workers in the two factories (when the canteen will be abolished) a capital of Rs. 25,000 will be needed and that the balance amount in the dearness allowance may be used for payment of share capital to the proposed Co-operative Society. Development accept the utilisation of Rs. 37,000 in the manner proposed by Director of Industries and Commerce and observe that the balance if any, still left may be returned to the labourers. Finance may agree with Development.

M on p7 C.F.

Y on p.3 C.F. 9 item (iii) on X p. 9 C.F.

C on p. 1 C.F

M on p. 2 above Please see below 9.6.45 WS

It is presumed that the amounts to be drawn from the treasury for utilisation as share capital of the proposed Co-operative Society will be drawn as dearness allowance (on muster rolls), so that for the purpose of the Government accounts the transaction will appear as payment of dearness allowance ~~as if the balance of ... has been drawn~~

R/ 9.6.45

~~as such and paid to the workers~~ C.F. portion X (on p.4) above.

R DG. + What NO direct subsidy towards
9 6 45 ~~Share~~ share capital is intended.

WS
9-6-45

~~DG~~

I think the D. I. & C. S. section in withholding the learners allowance sanctioned by Govt was highly objectionable. If the learners allowance was not really necessary, the fact might have been reported to Govt so that it could be withdrawn if Govt thought fit. The filatures may shrink off the use & instal the labourers may continue the, & in case and I think their money should not be pitched away on a Cooperative Society, they may affiliate in any case the money may be paid to them and they may act as they like. A1 may see.

WS
12-6-45

Dev

WS with it

THIRD ASST. SECRETARY TO GOVERNMENT
18 JUN 1945
DEVELOPMENT DEPARTMENT

Rm no 25781 Accts
18-6-45

Dev. Dept

35868D/45

J. ~~Acts~~ U.S.

x A'n p2cf

This file deals with the proposal of the D. I. & C. to form a Cooperative Society for the benefit of the labourers at the two silk filature factories at Kollegal. In this Connection, the D. I. & C. ~~has~~ reported

√ M'n p9cf

that for the period from July '43 to September 1944, the workers of the two Silk filature factories at Kollegal were not paid the full learners allowance, ~~sanctioned to them by the Govt~~ for the reasons stated at 'N'n p3cf. The total amount of learners allowance that has thus accumulated is reported to be Rs 37,000/- and remains undrawn from the Treasury. It is

Y'n p3cf

√ pp 9-10cf

proposed by the D.I.& C. to utilise ~~for the purpose of~~ this amount towards share Capital ~~for starting~~ of the members of a Cooperative Society proposed to be started for the benefit of the workers. ~~and return the balance of Rs to the~~ in the Filatures.

A'n prcf

P.T.O

~~forthwith or in monthly instalments~~ The proposal is supported in this dept with the suggestion that the balance amount, if any, may be returned to the labourers either forthwith or in ~~monthly~~ instalments over a period of some months. The Finance dept. do not agree to this proposal. They consider that the withholding of ~~the~~ the dearness allowance payable to the workers was highly objectionable and suggest that the amounts be returned to them, to be utilised out of their own free will afterwards for whatever purpose they deem fit. ~~It is submitted~~ Though the consent of the workers was not obtained previously by the DIEE for withholding the dearness allowance payable to them, it is now reported that the workers agree to the accumulated amount of dearness allowance being utilised for payment of share capital of the proposed Cooperative Society. It is to be feared that the disbursements of lumpsums to the labourers may only cause heavy absenteeism and perhaps an extremely untoward situation.

'M' on p 2a ibid

'B' & 'A' on p 5 above

B' on p 5 above

A' on p 5 above

A on p 9 of

M on p 10 ibid

of H.S' notes at A on p 2 above

It is for orders now

(a) whether the DIEE may be asked to utilise the accumulated balance in the Treasury towards the Share Capital of the proposed Society, the unutilised portion thereof being returned to the Concerned labourers; or

as proposed by Dy. Ch. Engr. X

of B on p. above

(b) whether, in view of the irregular procedure adopted by the DIEE in withholding the dearness allowance, the DIEE may be asked to draw & disburse the entire accumulated amount to the Concerned labourers, and to withdraw their to remit it for the proposed coop. Society of their own choice.

as suggested by the Dy. Ch. Engr.

Asst
17.6.45

I think it would be advisable in the interests of regular attendance at work etc formally to condemn the D.I.E.E's action and informally to intimate to them that the practice adopted was an infringement of rules, a prima objectionable, and must not to be repeated. The labourers have apparently agreed to this proposal, and the best

way of getting over the situation would appear to be to take action as I have suggested above. In other words action may be taken as at "X" on P.6 above as already suggested by this Dept. The alternative procedure suggested by Fin. is, I think, rather clumsy and also dangerous — and its object is anyway the same as "X".

L S
18/6/45

c. 19.6.45

I agree with U.S. 'X' on p.6 above may be approved.

Action may be taken as A2 — 19/6/45

Suggested by U.S. & Devs A1.

SR
26/6/45

NF
26.6.45

To U.S.

A draft order is submitted below for approval

25.6.45 26/6/45 Where is the authority for Para 2 of the refs. put up? Has this point been considered at all yet?

L
27/6/45

To U.S.

Please see para 3 of G.O. No 1721 Ms Dev & Trade

p6 of (C) point up at (C) and the portion marked X in the DZBS' letter on p. 1 of. The organisation of the Coop. Society is an

para 3 p6 of (C) outcome of the instructions issued in the G.O. cited. Para 2 has been added to the draft order with a view to instructing the DZBE to close the Grain Shop as early as possible. This point is only subsidiary in this file and may be omitted, if no fresh instructions to DZBE are deemed necessary for order.

AR
27/6/45

In view of "X" on P.5 CF of (C) the draft may issue as it stands.

L S
27/6/45

[Issued as G.L. 2536 — (HS) Dated 28-6-45] pp 11-12 of